

INFORMATION REPORT CD NO.

COUNTRY Indonesia

CONFIDENTIAL

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SUBJECT Economic Role of Rice Factories in West Java

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729

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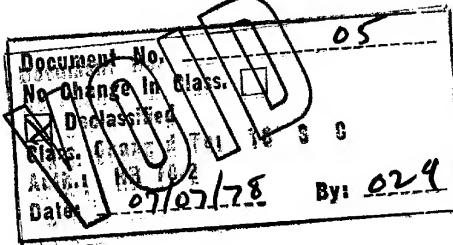
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1. Rice factories are an important element of the economic activity around Krawang and in the Sukabumi-Tjibandjur area. Nearly all of them are Chinese-owned. In marketing their product, the Chinese work closely with relatives and other merchants in Djakarta Downtown. Thus, they control the price of rice on the open market, thereby exercising considerable influence on the economic life of Indonesia.
2. [REDACTED] the Chinese rice mill owners allegedly have been in contact with Tjetje Subrata's Tjitarum Brigade and with elements of the Tentara Islam Indonesia (TII). These bands supposedly receive rice and other supplies from the Chinese, most of whom support MAO Tse-tung. They hope to keep the rice-growing areas in chaos in order to increase the price of rice and provide a more fertile field for the growth of Communism.
3. The Chinese mill owners are particularly arrogant toward Indonesian Government officials in the Krawang district. They refuse to obey government orders against hoarding, subversive activity, and black-market transactions.

This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 16 October 1978 from the Director of Central Intelligence to the Archivist of the United States.

Next Review Date: 2008



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